Strategic Marketing & Research, Inc.

Indiana Division of Tourism Conversion Research Report

Spring Campaign 2002

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BACKGROUND & OBJECTIVES

To track the effectiveness of its advertising efforts and gather information that will help make marketing decisions, the State of Indiana's Division of Tourism has been conducting conversion research for more than 10 years. Over time, this conversion research has taken several forms and was designed each year to address specific strategic and tactical issues faced by the Division.

One major change that Indiana and all other destinations have faced over the past few years is the increased prominence of the Internet as an information source. Conversion research is based on people who contact the Division and request information, but increasingly people can simply access the Web and get detailed travel information. In addition, consumers are using this resource in increasing numbers.

This year, the conversion research includes people who accessed the Web and *did not* request information from the Division. This is critical, since the number of traditional leads has decreased, while at the same time the Division's reach has increased through the Web. Other issues explored in this research include specific efforts with the enjoyindiana.com Web site, the subscriber program, and other advertising efforts.

Specifically, the following informational objectives were pursued:

- **Explore the sources consumers use to gather travel information** and how State sources including printed materials and the Web site fit into the mix;
- **Assess the conversion rate** among advertising responders and compare this year's effort to past efforts;
- **Gauge the effectiveness of advertising** for specific media options and compare the relative value of the options under consideration;
- **Measure the impact of the Internet** in generating travel to the State;
- **Determine visitors' activities and expenditures** during their stay in Indiana;
- **Enhance targeting efforts** by comparing the profiles of those who visited the State to those who responded to the advertising and *did not* visit;
- **Calculate the economic benefit** of the marketing campaign to the State;
- **Provide specific conclusions and recommendations** relative to the effective marketing of Indiana as a tourism destination.

METHODOLOGY

This year the Conversion Study employed both telephone and Internet methodologies. Consumers who contacted the State to request information were surveyed to determine their travel behavior. Several steps were involved in this process to provide comprehensive information.

Two baseline efforts were conducted to gather information on travel intentions and determine how much of the travel related to this campaign was “influenced” by the State’s marketing efforts. First, a telephone Baseline Study among people who requested information from the State to determine their travel intentions was conducted in April 2002. In addition, an Internet pop-up survey was conducted on enjoyindiana.com to identify Web users and determine their travel intentions. This effort created the database of Web users that was then surveyed during the Conversion phase of the research.

Strategic Marketing & Research conducted the Conversion Study in September 2002. For the telephone portion of the study, professional telephone interviewers used computer-aided techniques to administer the survey. Additionally, surveys were conducted on the Internet by e-mailing people an invitation to participate.

In total, 1390 interviews were completed, 468 over the phone and 967 over the Internet. Those people who requested travel information are referred to as “traditional leads” even if they requested information over the Web, as shown below.

Segment Distribution

Magazine Reader Service - North	54
Magazine Reader Service - Tourism	53
Television	48
Other Media	50
Subscribers	150
Enjoy Indiana Web site Contest	51
Enjoy Indiana Publications	107
Enjoy Indiana Giveaway	199
FSI Newspaper	50
FSI ADVO	51
Cool Savings	109
Total Traditional Leads	922
Web users	468
Total	**1390**

Finally, respondents from the Baseline Survey were interviewed to determine their conversion and calculate the level of influence. The sample for this survey was selected to provide a random distribution of leads generated over the course of the spring campaign. The data were then weighted to represent the lead population.

While the 2002 questionnaire was modified slightly, the major questions remained the same to allow comparison to the previously conducted research. A copy of the questionnaire is included in the Appendix. Upon conclusion of data collection, the data were cleaned, and coded for analysis. The following summarizes the findings and includes conclusions and recommendations.

INQUIRERS

Before reviewing conversion and other factors, we consider the profile of leads and gain insight into their interest and familiarity with the State. This information will help provide a context for considering the effectiveness of the State's marketing campaign.

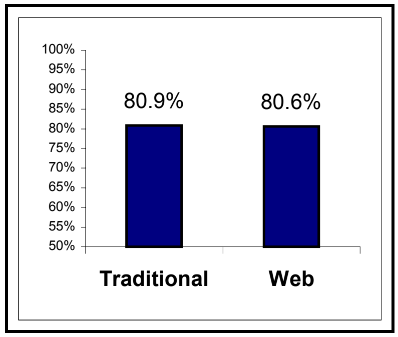
Indiana generated over 281,000 requests for information from a variety of traditional and Web sources. These leads, referred to as "traditional" leads, are people who requested information or identified themselves. Subscribers represent the largest number of leads, followed by "other media." Enjoy Indiana publications also generated a large number of leads while television, the FSI's, and the Enjoy Indiana Contest generated relatively few leads. At the same time, a challenge for destination marketers these days is that people can see advertising, and rather than responding directly simply access the Web site for information. As such, it is quite probable that people saw some specific forms of advertising and then used the Web. The synergy between these promotional vehicles is hard to measure. It is important to remember, those media that reach a larger audience, such as television, are the most likely to help guide people to the Web. To further assess this issue, this year's Conversion research includes a review of the "traditional leads" as well as an evaluation of people who accessed enjoyindiana.com, but did not request information.

Number of Leads
Generated by Various Sources

Source	# Leads
Subscribers	127996
Other Media	51768
Enjoy Indiana Pubs	40645
Magazine tour	15950
Magazine north	11630
Enjoy Indiana Giveaway	10046
Cool Savings	10000
FSI Newspaper	5380
FSI ADVO	3695
Enjoy Indiana Contest	3406
Television	827

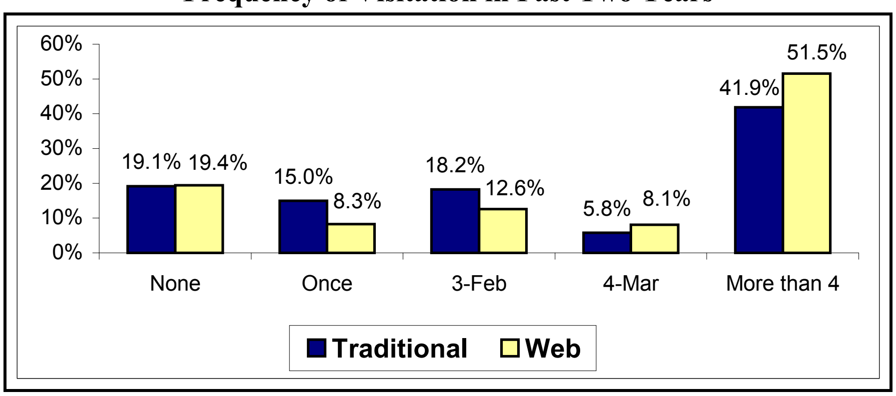
In exploring the attitudes of these inquirers, since the Division of Tourism markets to nearby markets, as might be expected, most of the responders had visited Indiana in the past. Interestingly, the level of past visitation among traditional leads and Web visitors is almost the same.

Past Visitation to Indiana



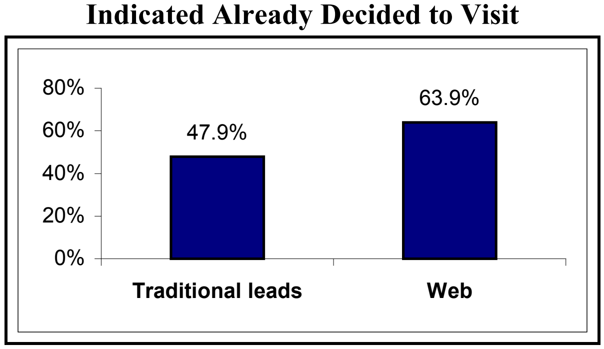
In fact, the majority of respondents claimed to have visited the State multiple times. When asked how many times they had visited in the past two years, almost half indicated visiting four or more times. The Web users were more likely to have been frequent visitors.

Frequency of Visitation in Past Two Years



Given the number of people who had visited Indiana, it is not surprising that many of the inquirers had already decided to visit the State when they requested information or accessed the Web. About half the responders indicated having already decided and almost two-thirds of the Web users indicated definitely planning to visit Indiana at the time of their request. (Of course, not everyone who decides to visit the State actually does).

Indicated Already Decided to Visit



It is important to understand this factor, in determining the appropriate strategy for marketing Indiana. The Division of Tourism has focused its efforts on nearby and in-state markets, which will result in a higher percentage of previous visitors.

The focus on local markets is also evident when the geographic source of leads is considered. For both the traditional leads and the Web, the majority of leads came from the targeted areas.

Geographic Source of Leads

Market	Traditional	Web
Indianapolis, IN	18.9%	24.9%
Chicago, IL	16.8%	13.6%
Ft. Wayne, IN	5.3%	5.5%
Louisville, KY	4.4%	5.8%
Cincinnati, OH	3.4%	5.0%
Peoria-Bloomington, IL	3.2%	.3%
South Bend-Elkhart, IN	2.8%	4.2%
Evansville, IN	2.8%	2.8%
Terre Haute, IN	2.6%	2.8%
Total	**60.2%**	**64.5%**

Indiana's inquirers are people from nearby markets that have strong familiarity with the State and have traveled Indiana in the past two years. Indiana is challenged to give them reason to visit again and to convince them that such a trip will be enjoyable. By determining their decision process and the specifics of what they do while they are in the State, the Division can focus and target its marketing efforts.

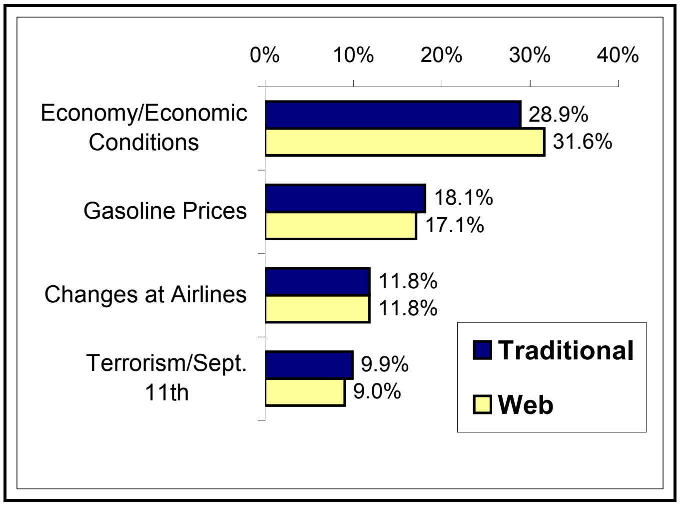
It is also important to understand the environment that surrounds the travel situation. Both the events of September 11 and the condition of the economy have impacted travel on the national level. While this is less evident in Indiana, it is important to assess how these factors have influenced inquirers.

A large number of people said they traveled less during the past year, but also as many indicated traveling more. The fact that the net impact among traditional leads was slightly negative while the net impact among Web users was slightly positive suggests that inquirers traveled as much as in the past, but they were uneasy about the situation.

	Traditional	Web
Traveled more than past	27.4%	30.6%
Traveled as much as past	41.0%	42.1%
Traveled less than past	31.6%	27.4%

People cited the economy and other economic factors as issues that impacted their travel plans. Of course, people are hesitant to admit that they have changed their travel because of the events that occurred on Sept. 11th, but it seems that money is the main issue.

Reasons for Traveling Less



While these factors have seemingly not prevented a great deal of travel, people's concerns have probably made them more hesitant to travel. Other sources indicate that people are planning trips later and are unwilling to commit to travel until the time to do so is quite near. In light of this short planning cycle, perhaps Indiana should consider the timing of its advertising.

THE TRAVEL DECISION

To influence inquirers, the Division of Tourism has two important options – the Indiana Travel Guide and the enjoyindiana.com Web site. While determining the extent to which these vehicles impact inquirers is important, most people use multiple types of travel information.

Perhaps one of the most interesting findings is that both traditional leads and Web users are quite similar relative to their use of other types of travel information. Brochures from local destinations are the most popular, and very few people use travel agents when planning their trip to Indiana. From a trending perspective, the biggest change over the past few years has been the impact of the Internet. In 1999, only 20% of traditional inquirers used the Internet. This year 56% reported accessing the Web. Because this synergy of sources is important, the Division is promoting a number of cooperative programs that ensure that inquirers can get local information as well as information about the State.

Other Sources Used for Gathering Indiana Travel Information

Informational Source	1999	2000	2001	2002 Traditional	2002 Web
Brochures from local destinations	51.6%	41.1%	48.4%	40.5%	41.0%
Articles in newspapers or magazines	47.2%	40.2%	38.5%	26.3%	29.1%
The Internet	21.7%	33.5%	44.9%	56.2%	76.7%
Advertisements specific attraction/event	34.7%	31.0%	32.1%	26.3%	29.1%
Travel agent	8.0%	4.9%	4.4%	4.9%	3.0%
Other	11.3%	10.8%	13.7%	7.5%	9.4%
No other source	16.8%	18.1%	22.1%	16.9%	8.5%

Of course, while the Internet is a key source of travel information, the State Travel Guide is critical. Past quantitative and qualitative research consistently indicates that Indiana produces one of the best travel guides in the region. The State has continued to improve this publication to increase the positive impact among users.

Overall, the vast majority of traditional respondents received the State's fulfillment materials (93%). In total, 87% of those that requested material received it in time to plan their trips. While in a perfect world, everyone would receive their Guide in time, this level of performance is consistent with past years.

While the goal should to ensure that 100% of those that request information receive the Guide in time to plan their trip, this is an unrealistic goal. This year's performance of 87% "in time" is the same as last year's; hence, performance remains the same. Continued effort should be made to maintain this excellent level of performance.

The respondents were asked to rate the effectiveness of the material on a 5-point *agreement scale*. Here, "5" meant *strongly agree* and "1" *strongly disagree*. As in the past, people thought the material helped them decide on a specific area in Indiana or on more/different attractions. This year the materials were more effective in convincing people to visit and to take more trips to the State. This positive finding indicates that the materials are well targeted to the audience. Again, it is important to recall that most of the users have been to Indiana in the past, and therefore they have a high level of familiarity with the state. In many cases they are using the materials to plan trips, rather than decide whether they want to visit.

Ratings of Fulfillment Material

Influence of Fulfillment Material	1999	2000	2001	2002
Helped you decide to visit more/different attractions	4.16	4.13	4.05	4.22
Helped you decide to visit specific area of Indiana	4.16	4.07	4.05	4.04
Convinced you to visit	4.03	3.88	3.68	3.93
Convinced you to take more trips to the State	3.95	3.85	3.67	3.82
Convinced you to stay longer	3.21	3.06	2.98	2.90

Mean score based on a 5-point scale,
the higher the number the more positive the rating

The other tool that the Tourism Division uses to reach and influence its audience is its Web site. As discussed, the Web site reaches a wide audience and allows the State to influence far more people. It is useful to understand the dynamics of the Web, how people find specific sites, and their reasons for using them.

As in the past, most people used a search engine to find the enjoyindiana.com Web site. However, for Indiana, people use many other sources including advertising. In fact, in research conducted by SMARI for other states and destinations, search engines usually represent over 60% of the sources used to find Web sites. Indiana has done a better job of telling people about its site with advertising and the Web links seem to be working well. The television advertising seems to have generated the greatest awareness, followed by magazine advertising. People who accessed the Web directly were more likely to use a search engine, but also more likely to report the television ad as a source of awareness.

Source of Indiana Web Site Awareness

Source of Awareness	2000	2001	2002 Traditional	2002 Web
Via Internet search engine	24.7%	47.3%	41.7%	47.1%
Television ad	14.8%	19.0%	12.3%	15.8%
Magazine ad	11.0%	14.6%	10.4%	11.3%
Through Web link on a Web page	6.1%	11.6%	15.4%	14.5%
Newspaper ad	7.4%	10.5%	5.4%	6.4%
Radio ad	2.4%	5.1%	3.3%	1.9%
A friend or relative	9.3%	4.4%	5.0%	6.7%
Other	15.3%	6.8%	14.1%	7.5%
Don't know	17.1%	5.8%	8.4%	11.0%

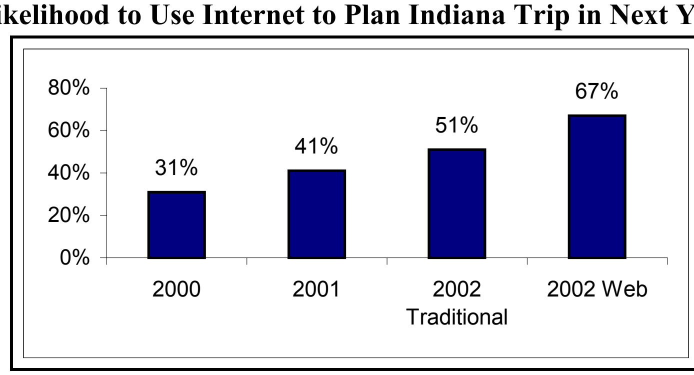
Predictably, given that most of the people who requested information and accessed the Web site had already decided to visit Indiana, the most prevalent reason for using the Web site was to plan a trip to Indiana. Conducting research about the State and finding additional attractions to visit were important as well. People also want a calendar of events. Few people want to decide whether to visit the State or to make hotel/motel reservations. The site needs to offer a wide variety of information about trips to Indiana and things that people can do. Since many are past visitors, information about new attractions and events are also important.

Reasons for Initial Visit to Indiana Web Site

Initially visited…	2000	2001	2002 Traditional	2002 Web
To help plan a trip to Indiana	39.5%	61.6%	54.2%	59.1%
To research & find out more about State	49.0%	58.8%	51.6%	50.9%
To find additional attractions to visit	39.8%	48.6%	48.2%	59.1%
To see a calendar of events	NA	43.2%	42.6%	55.9%
To find directions to specific attractions	31.9%	39.8%	34.2%	46.0%
To find a hotel/motel/campground in/near State	20.8%	37.8%	34.5%	36.2%
To get coupons or discounts	NA	35.3%	33.7%	34.5%
To decide whether to visit Indiana	9.9%	16.3%	11.3%	8.6%
To make reservations	11.1%	12.9%	8.9%	12.0%
Other	19.0%	5.4%	9.5%	0.0%

The importance of the Internet is also evident when people were asked about their travel intentions. The percentage of people that indicated being "very likely" to use the Internet to gather information about Indiana in the next year continues to rise. For traditional leads, over half the people indicated strong likelihood to use the Internet, while over two-thirds of the Web users claimed that they would again use this source.

Likelihood to Use Internet to Plan Indiana Trip in Next Year



The Division needs to continue to focus attention toward the Web and to make sure that its site continues to meet consumer needs. This source of influence is likely to continue to grow, and the way that people use the Web site is likely to evolve. The Division should continue to monitor changes and alter its Web site as necessary.

DEMOGRAPHIC PROFILE

Inquirers and visitors can also be defined by their demographic profiles. These profiles have changed little in the past few years. People who inquire about Indiana and tend to visit the State are likely to be middle-aged, married with children, and they earn somewhat above average incomes. One interesting point is that the profile of inquirers from the traditional leads and those who accessed the Web were quite similar. This is not always the case - for several other destinations that SMARI researches, the Web visitors are more upscale. Indiana is reaching the same audience, which indicates that the same information is of interest to both groups.

Demographics

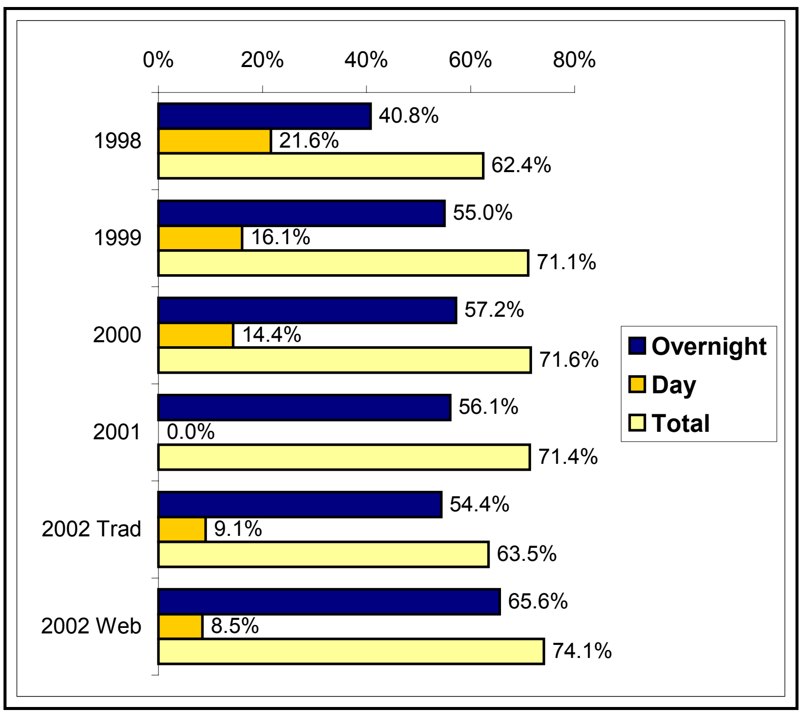
Demographics	Visitors	Non-visitors	Trad	Web
Marital Status				
Married	75.0%	71.0%	74.2%	71.6%
Divorced	8.8%	10.6%	9.1%	10.9%
Widowed	2.9%	3.9%	3.9%	1.9%
Single/Never married	10.0%	11.5%	9.9%	12.4%
Education				
High school or less	15.2%	20.2%	18.8%	13.1%
Some college/tech school	36.5%	36.4%	35.1%	37.8%
College graduate	32.0%	27.1%	30.9%	30.8%
Post graduate degree	14.2%	14.8%	13.2%	17.0%
Avg. # of People in HH	2.8	2.8	2.8	2.8
Avg. # of Children in HH	0.8	0.8	0.8	0.8
Avg. Age	47.2	48.5	48.5	46.0
Avg. Income	$59,608	$55,678	$57,687	$58,730

CONVERSION OVERVIEW

The goal of this research is to evaluate the effectiveness of the State's marketing efforts based on the number of trips they generate. The marketing is designed to "convert" inquirers into visitors. This year, the spring and fall campaigns are being assessed separately. This means that the conversion reading was completed earlier in the year. From past research, this suggests that the conversion rate will be somewhat lower, as more people would have traveled given more time. As such, while comparisons to the past are provided, they should be carefully considered.

Over the past three years, Indiana's overall conversion rate among traditional leads has been between 71/% and 72%. Based on our research, this conversion rate is quite high and increasing it would be difficult. In fact, maintaining this high conversion rate is a formidable challenge. With the earlier measure, conversion this year is slightly lower

Overall Conversion



In addition to the travel that transpired, some people will travel sometime later, thus increasing the impact of the State's marketing effort. When this research was conducted, some individuals indicated *intent* to visit Indiana. This group represents over half (52%) of the *non-visitor* population. Obviously, a significant number of people are still planning their trips to Indiana.

Over the past three years, an increasing number of people have decided not to travel, which fits in with the earlier discussion about travel. While the economy is a factor in travel, its impact seems relatively slight.

Reasons for Not Traveling to Indiana

Reason	2000	2001	2002
Chose another destination	28.7%	27.9%	32.9%
Decided not to take any trip	23.2%	31.0%	37.6%
Still intend to travel to Indiana	41.7%	47.2%	52.1%

FREE-RIDERS

For ten years, Indiana has been measuring the percentage of ad responders that were already planning to visit Indiana *before* requesting information. Advertising and fulfillment does not directly influence this *free-rider* group, though these folks may have been influenced by previous campaigns. By identifying this group, their role in the State's tourism efforts can be determined.

As Indiana has focused its marketing efforts closer to home, the result has been higher conversion but also an increase in the percentage of respondents who had already decided to travel. This year the percentage of respondents that decided to visit the State before requesting material rose to 45.5%. Interestingly, the free-rider percentage among Web users is even higher, at 54.5%. These findings will be used to calculate the economic impact of the Indiana campaign.

Free-riders

1992	40%
1993	30%
1994	38%
1995	23%
1996	45%
1997	23%
1998	22%
1999	19%
2000	45%
2001	41%

2002 Traditional	45.5%
2002 Web	54.5%

TRIP SPECIFICS

As noted, a key issue that the Division needs to consider in designing its marketing efforts is what people do when they visit Indiana. The specifics of their trip will help the State focus its marketing message and promote the State in the appropriate manner.

Most of the travel that occurred among these respondents was in the summer. Of course, the timing of this study is part reason for this. In the past, much of the travel occurred during the fall, which is probably the case this year as well. Spring travel remained lower. Given the shorter travel planning window, marketing for the spring campaign should probably be later in the season, rather than earlier.

Travel Seasons

Season	1999	2000	2001	2002 Trad	2002 Web
Spring	24.0%	9.0%	14.2%	13.2%	12.0%
Summer	55.0%	45.4%	48.3%	70.1%	69.7%
Fall	NA	45.6%	37.5%	16.7%	19.3%

Generally, the specifics of trip duration and the number of people on the trip have remained the same over the past several years. The average trip length is between three and four days, and there are between three and four people in the travel party. This year, more trips included children, at least among traditional leads. This year, another feature that was also measured was the number of trips that included friends, rather than family members. This scenario is actually relatively prevalent, with over 20% indicating that friends were in the travel party.

Overnight Trip Specifics

Trip Specifics	1999	2000	2001	2002 Trad	2002 Web
Duration of Trip - Nights	3.6	3.1	4.0	3.9	4.3
Number of People on Trip	3.9	3.2	3.4	3.4	3.5
Number of Children on Trip	.9	.7	.8	.8	.8
% Of Trips with Kids	38%	33%	33%	41.4%	29.1%
% Of Trips with Friends				21.4%	23.9%

Of those who stayed overnight, 71% of the traditional leads and 66% of the Web inquirers used paid accommodations. The remainder stayed overnight with friends and/or relatives. Overall, trip expenditures were lower than last year, but higher than past years. The Web travelers reported higher overall trip expenditures, but this is generally because their trips were longer. The traditional leads spent $53 per person/per day, and the Web leads spent $50 per person/per day.

Overnight Visitors – Average Expenditures

Expenditures for…	1999	2000	2001	2002 Trad	2002 Web
Meals/Food/Groceries	$122	$138	$196	$146	$159
Lodging	$147	$135	$179	$166	$178
Shopping	$102	$158	$153	$102	$110
Transport – gasoline/auto-rental/flight costs	$58	$71	$98	$97	$125
Attractions	$60	$68	$79	$66	$59
Novelties/Souvenirs	$44	$55	$64	$45	$34
Entertainment - shows/theater/concerts	$11	$16	$32	$29	$24
Recreational expenses, boat rental/golf fees/etc.	$17	$18	$18	$32	$29
Other	$6	$20	$16	$19	$33
Total	**$567**	**$679**	**$835**	**$701**	**$751**
Less Transportation	$509	$608	$737	$604	$626

When visitors' activities are reviewed, much is discovered about the appeal of the area and visitor preferences. Indiana visitors continued to explore the area's natural beauty and *flavor*. At least half indicated enjoying Indiana's scenic beauty, shopping, visiting small, quaint towns, dining at unique restaurants, and taking scenic drives. These same activities were reported as popular in the past, suggesting Indiana's appeal continues for the same reasons.

(Continued on next page)

Visitors were significantly less likely to enjoy scenery and quaint small towns this year, and they were more likely to gamble. In addition, cultural activities, sports events, musical performances, and popular musical events were enjoyed by the smallest number of visitors. One promotion this year, the Enjoy Indiana Giveaway, focused on promoting attendance at attractions. A number of attractions offered two-for-one admission. Among the people who responded to this promotion, 13.9% indicated visiting one of the featured attractions.

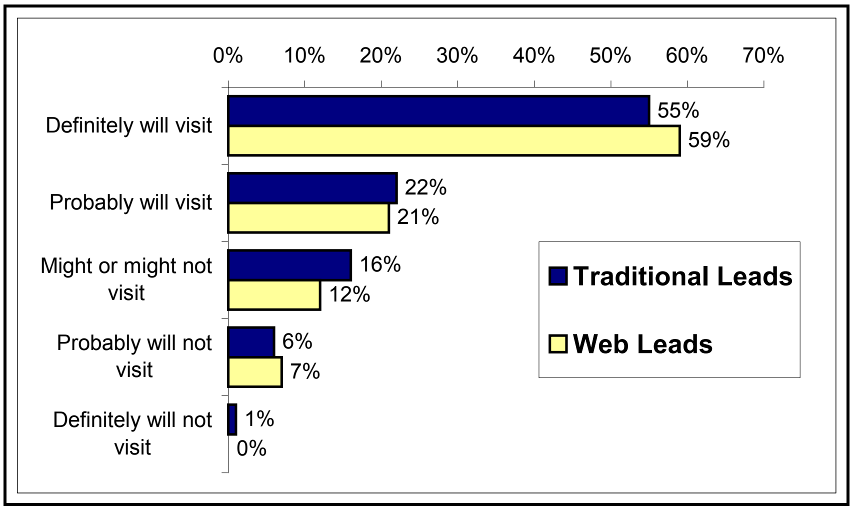
Activities

Activities	2001	2002 Trad	2002 Web
Enjoy scenic beauty	80.5%	70.2%	76.4%
Go shopping	69.6%	58.0%	53.9%
Eat at unique restaurants	62.1%	53.1%	56.5%
Visit small or quaint towns	64.6%	51.7%	51.3%
Take scenic drives or tours	58.4%	50.0%	48.7%
Visit historic sites	53.1%	49.2%	47.0%
Go to lakes/rivers/other natural features	51.7%	46.3%	53.0%
Visit state or national parks	39.8%	34.6%	42.9%
Attend fairs/festivals	36.2%	34.1%	38.3%
Visit with relatives	35.7%	32.1%	35.4%
Visit with friends	29.8%	28.2%	25.6%
Go antique shopping	33.7%	24.0%	26.8%
Visit larger metropolitan cities	27.6%	23.8%	20.5%
Visit zoos/child-oriented museums	25.1%	23.0%	20.7%
Go hiking or biking	24.0%	21.5%	28.5%
Outdoor activities	21.8%	21.1%	24.2%
Go camping	19.5%	20.5%	20.7%
Visit amusement/theme parks	17.4%	18.2%	15.3%
Gamble at riverboat casino	11.1%	17.1%	14.1%
Visit art/cultural museums	20.8%	16.8%	18.4%
Look for distinctive architecture	17.4%	16.5%	15.9%
Attend sporting events	11.9%	12.0%	11.0%
Attend musical performances	13.1%	11.9%	12.1%
Visit nightclubs or bars	12.1%	11.2%	9.5%
Go to a popular music concert	8.3%	6.6%	8.9%

LIKELIHOOD TO RETURN TO INDIANA

This research indicates that the leads tend to be previous visitors and frequent travelers in Indiana. Therefore, it is not surprising that over half indicated definitely visiting in the next year. Another third indicated some likelihood to visit and fewer than 10% claimed to be unlikely to visit.

Likelihood to Visit Indiana in the Next Year



ECONOMIC IMPACT

This Conversion research fulfills a number of functions. It provides the Division of Tourism with information about inquirers and visitors, explores marketing issues, and measures the economic impact of the campaign. While measuring economic impact has less strategic value, it is an important "report card" of the Division's efforts.

This year's spring campaign generated over $134 million in visitor spending. This represents only the spending that was influenced by the campaign. While this number is lower than last year's economic impact, the measure last year included the fall campaign. Consequently, the comparative number for 2002 cannot be obtained until the fall Conversion research is complete. In this context, the impact of the spring campaign was quite large, indicating strong performance. The ROI for the spring campaign is already equal to the total spring and fall efforts in 2001.

Overnight Visitor Impact – Traditional Leads

Calculation	1999 Total Campaign (spring & fall)	2000 Total Campaign (spring & fall)	2001 Total Campaign (spring & fall)	2002 Spring Campaign
Total Leads	**234,300**	**220,492**	**189,361**	**281,343**
x Overnight Conversion Rate	55.0%	57.2%	56.1%	54.4%
Total Making Overnight Visit	128,865	126,121	106,262	153,051
x Average Trips	1.9	1.9	2.9	2.3
Total Overnight Visits	244,844	239,631	308,160	352,016
x (Less Overnight Free-riders)	81%	55%	59%	54.5%
Impacted Trips	197,589	131,797	181,815	191,849
x Average Overnight Expenditures	$567	$679	$835	$701
Overall Impact	**$112,032,963**	**$89,490,163**	**$151,815,525**	**$134,486,091**
Impact Per Lead	$478	$406	$802	$478.01
Total Campaign Costs	$609,379	$773,903	$1,407,591	$1,254,270
ROI	**$184**	**$116**	**$108**	**$107**
ROI for State dollars			$234	
Per Person Per Day Expenditure	$40	$52	$61	$53

Aside from the specific lead generating activities, these calculations do not take into account the impact of the Web. As noted, among general Web users, 65.6% visited the State, with a net conversion rate of 29.8%. These visitors also had higher per-trip expenditures. These figures suggest that the impact of the Web visitors was probably equal or greater to that of the traditional leads.

MEDIA IMPLICATIONS

Having reviewed the conversion and travel experience findings, the stage is set for determining how these results can be used to enhance the State's marketing. This involves a review of the performance of the various media used in the campaign. While the overall financial benefit of the campaign is interesting, a more detailed review can identify the strengths and weaknesses of each element of the campaign.

Of course, effectiveness can be measured in several ways. One visible way is by the number of leads generated. This can be tracked as a campaign runs. However, sometimes efforts that generate a large number of leads produce low conversion rates. Therefore, the first step is to consider the conversion rate of the various options. The conversion rates ranged from 68% among the FSI Newspaper responders to 37% among the Magazine North inquirers. The best performers, in addition to the FSI Newspaper, were the Enjoy Indiana Giveaway, the Web, and the Enjoy Indiana Contest.

Media Conversion Rates

FSI Newsp.	E IN Giveaway	Web	E IN Contest	TV	Sub-scribers	Cool Savings	E IN Pubs	FSI ADVO	Mag. Tour	Other Media	Mag. North
5380	10046	--	3406	827	127996	10000	40645	3695	15950	51768	11630
68.0%	65.3%	65.6%	68.6%	50.0%	59.3%	55.0%	50.5%	45.1%	45.3%	48.0%	37.0%

Another way to assess campaign effectiveness is the overall economic impact generated by the media. This takes into account the number of trips generated and the average expenditures by group. This can be an important way to look at the different media, since it balances the number of leads, the conversion rate, and spending on behalf of each group. For example, some groups spend more and are, therefore, of "greater value." On the other hand, the Magazine North category generated a fair number of leads, but produced a low conversion rate and relatively low average trip expenditures. As such, this media contributed less to the overall impact of the campaign.

Subscribers generated over half the economic impact from this campaign. Obviously, they are critical to the Division's efforts. Clearly, the good strategy of focusing on these interested consumers has resulted in additional visitation to the State. The people who ordered materials while on the Web site generated the next highest level of economic impact. This underlines how synergy between the Web and printed materials can work especially well.

Media Segment Conversion

Calculation	Mag. Reader North	Mag. Reader Tourism	TV	Other Media	FSI Newsp.	FSI ADVO	Sub-scribers
Total Leads	11630	15950	827	51768	5380	3695	127996
X Overnight Conversion Rate	37.0%	45.3%	50.0%	48.0%	68.0%	45.1%	59.3%
Total Making Overnight Visit	4,307	7,223	414	24,849	3,658	1,666	75,944
X Average Trips	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Total Overnight Visits	9,907	16,612	951	57,152	8,414	3,833	174,672
x (Subtracting 41% Overnight free-rider)	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%
Impacted Trips	5,399	9,054	518	31,148	4,586	2,089	95,196
X Average Expenditures	$673	$732	$702	$607	$718	$532	$740
Overall Impact	$3,636,403	$6,625,527	$363,610	$18,910,530	$3,293,357	$1,110,573	$70,437,862
ROI	$313	$415	$440	$365	$612	$301	$550

Web-related Leads

Calculation	Giveaway	Web Site Contest	Web Pub. Orders	Cool Savings
Total Leads	10046	3406	40645	10000
X Overnight Conversion Rate	65.3%	68.6%	50.5%	55.0%
Total Making Overnight Visit	6,563	2,337	20,512	5,505
X Average Trips	2.3	2.3	2.3	2.3
Total Overnight Visits	15,094	5,376	47,179	12,661
x (Subtracting 41% Overnight free-riders)	54.5%	54.5%	54.5%	54.5%
Impacted Trips	8,226	2,930	25,712	6,900
X Average Expenditures	$737	$928	$694	$559
Overall Impact	$6,058,907	$2,718,649	$17,855,930	$3,859,844
ROI	$603	$798	$439	$386

Finally, success can be measured by the return on investment for each media source. This provides the final way to evaluate how the State should spend its limited dollars to get the best return. In this area, subscribers had the strongest return by far, followed by Cool Savings and *Other* media. Television produced a very small return on investment; although as indicated, this media may have supported other leads and helped to boost the effectiveness of the *Other* media.

Media Segment ROI

	FSI Newsp.	TV	Sub-scribers	Cool Savings	Web Leads	FSI ADVO	Mag. Tour	Other Media	Mag. North
Overall Impact	$3,293,357	$363,610	$70,437,862	$3,859,844	$26,619,192	$1,110,573	$6,625,527	$18,910,530	$3,636,403
Impact per Lead	$612	$440	$550	$386	$492	$301	$415	$365	$313
Total Campaign Costs	$26,221	$270,578	$139,419	$16,000	$344,500	$71,051	$249,579	$86,922	$50,000
ROI	$126	$1	$505	$241	$77	$16	$27	$218	$73

* Campaign costs and ROI for the Web Site Contest, Giveaway and Publication Orders are combined in these calculations.

The following reviews the various media options under consideration - their strengths and weaknesses and some demographic details of each group:

Subscribers

The Division of Tourism began recruiting subscribers a few years ago and has developed an extensive database of people who want ongoing information. The Division marketing to this group has been quite successful. This, the largest group of leads, produced a high conversion rate. Additionally, this group had high trip expenditures. As a result, this group generated over half the economic impact of the campaign. This group obviously deserves to be a focus for marketing efforts.

Cool Savings

This was a good media effort because it generated a great many leads inexpensively. The conversion rate was about average, with these visitors spending less. While the overall impact of this media type was not particularly large, the return on investment was quite good.

Other Media

The "other media" category generated the second largest number of leads and at a low cost. This generated a strong ROI, even though the conversion rate was below average. These media choices are good because they are cheap, but they would not necessarily perform well if more money were invested.

Web Respondents

The various Web leads provided some of the highest conversion rates and strong performance. Those people who request publications are some of the State's "best" leads. The Web site should make it very easy to order a travel guide or get other information.

Television

Television, a mass media, reaches a wide audience. At the same time, the current campaign generated very few leads. While the campaign probably supported leads from other media and use of the Web site, the direct impact of the TV campaign was not high.

Magazine Readers

Magazines generate large number of leads, although the conversion rates for both magazine efforts were below average. Magazines provide a good way to reach a wide audience, but this audience is less likely to visit.

FSI

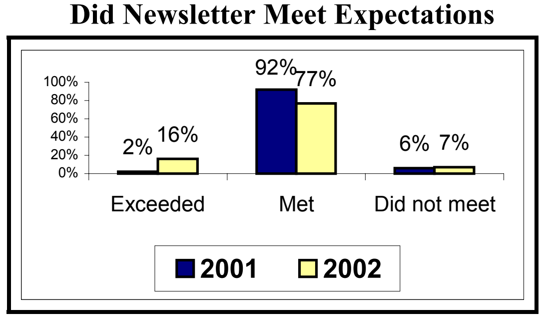
There were two distinct FSI efforts – one in newspaper and one through ADVO. Neither generated a large number of leads, but the conversion rate for the newspaper effort was very high. The newspaper FSI generated a high ROI and it should be considered in future efforts.

SUBSCRIBERS

Analysis of the various media options highlights the importance of Subscribers. This program, which began several years ago, has allowed Indiana to identify and focus attention on its key target audience. Subscribers are interested in Indiana and are likely to visit. The goal is to continue to personalize information to this group and give them more information that will promote travel to the State. From this perspective, it is important to understand what they want from the program.

During the past year, 57.7% of Subscribers indicated receiving the newsletter. This is a significant improvement from last year, when only about one-third recalled receipt of the publication. In addition, the Subscribers are much happier with the newsletter, and many more people found that it exceeded their expectations. The newsletter is reaching its audience and having a positive impact.

Did Newsletter Meet Expectations

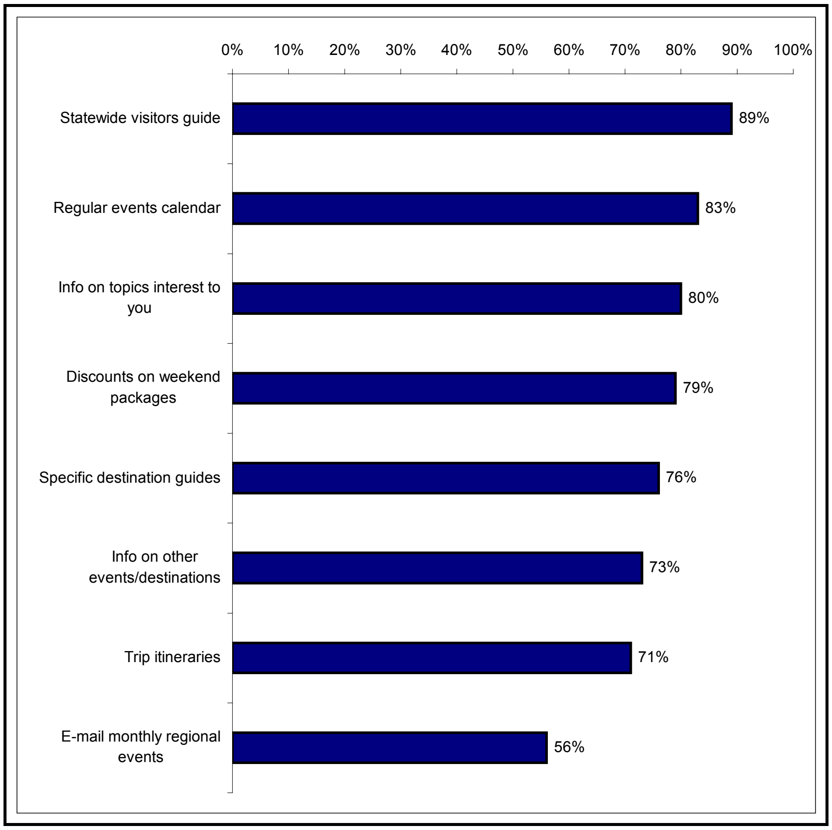


Types of Information Preferred

Additionally, the study looked at the type of information that subscribers want and how often they would like to receive information. Another interesting finding that supports satisfaction with the program is that Subscribers are much more interested in receiving additional information this year. Last year they were hesitant about expressing interest in many of the options, but this year they want it all. This suggests that they are finding value in what they receive and want more.

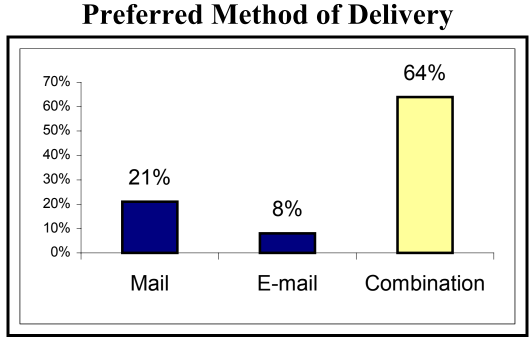
As noted last year, the State Travel Guide is the most popular item, followed by a calendar of events, then individualized information based on activities or areas chosen for visitation. This year discounts and information on other destinations are of greater interest to Subscribers. Moreover, over one-half indicated interest in a monthly e-mail of regional events.

Types of Information Preferred by Subscribers



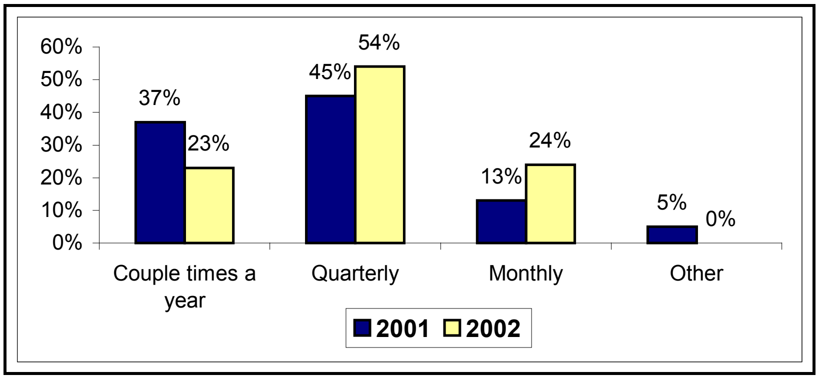
Subscribers seem to want a mix of information through e-mail and regular mail. Only a few want either everything by mail or everything by e-mail. This probably reflects Subscribers' desire for both printed pieces – such as the Travel Guide and up-to-date alerts and messages (such as discounts or coupons). Again, this supports the synergy between the two options and indicates that a mix is the most effective marketing tool.

Preferred Method of Delivery



Subscribers also are beginning to want information on a more regular basis. Quarterly still seems to be a good balance, but this year more people indicated wanting quarterly or monthly information. The challenge will be to make sure that the quality of the information remains high so that Subscribers continue to see value in what they receive and are not overwhelmed with too much information.

Frequency of Receipt of Information



CONCLUSIONS & RECOMMENDATIONS

- **Indiana's conversion rate remains high, at 63.5% for traditional leads and 74.1% for Web users.** While this conversion rate is slightly lower than last year, it includes only the spring campaign. Last year's rate included both spring and fall. Leisure travel in Indiana remains strong and the State's focus on nearby markets has allowed it to weather the downbeat travel environment.

- **This conversion rate equates to a campaign that generated over $134 million in visitor spending, for a return on investment of $107 for each $1 spent.** This impact and ROI includes only the impact from traditional leads that took overnight trips. Additional impact from enjoyindiana.com Web users is probably at least as high.

- **The audience that responds to Indiana's marketing efforts and uses the Web site is quite loyal to the State.** These consumers are familiar with the Indiana product and return to the State often. In terms of generating travel, this can be a positive factor, but it requires a strategy that focuses on giving people reason to return. This audience does not need to be educated about basic Indiana attractions; rather they need to see new and different things to do.

- **The "subscription" program that the Division is pursuing is a key element in the success of the overall campaign.** Subscribers represent the largest category of leads, are likely to visit Indiana, and spend a significant amount in the State. Subscribers accounted for over one-half the economic impact of the campaign, and this group produced the best ROI

- **Subscribers are happy with the program and the materials they are receiving.** More people recall receiving the newsletter about which they are more positive. In addition, Subscribers are much more interested in receiving all types of Indiana information and getting it more frequently. It is important to receive a mix of printed materials and e-mail correspondence and to receive both statewide and more personalized information.

- **As indicated by the Subscribers and other groups, there is a definite synergy between the Web and printed materials.** This is evident because the highest conversion rate was among people who requested Indiana publications over the Web. Additionally, most traditional inquirers indicate using the Web to gather travel information, and most Web users indicate using other printed sources of information also. People want both, and Indiana should design its print and Web information to work together.

- **In considering the synergy between these media, it is worth noting that the demographic profile of those requesting materials and those using the Web is almost identical.** This is not the case with other destinations, but for Indiana the two audiences are the same. As a result, it will be easier to create synergy and compatibility between the two.

- **Indiana tourism is effectively creating awareness of its Web site through advertising**. Many people indicate finding the Web site through a television, magazine, newspaper, or radio ad. The percentage that gave these responses is higher than that noted for many other destinations, indicating that Indiana's ads are effective in this area.

- **The Web site is meeting users' expectations.** More than nine in ten respondents who had accessed the enjoyindiana.com site indicated being able to locate all or most of the information they needed. The same share of Web site visitors also indicated being likely to re-visit the site to gather more information about Indiana.

- **In evaluating the different media, the Subscribers, Cool Savings, and *Other* Media performed the best.** Conversion and costs varied dramatically for the various media; the specifics should be reviewed in light of how to reach a good balance of lead generation and conversion, and how to maximize the effectiveness of available dollars.

APPENDIX